



MONASH UNIVERSITY - ACER

CENTRE FOR THE ECONOMICS OF EDUCATION AND TRAINING

Funding for Tertiary Education and Training

Impacts on Student Movement between the Sectors

A report prepared for the Pathways Project

Justin Brown, Gerald Burke, Michael Long and Peter Noonan

October 2009

Disclaimer

The Hon Julia Gillard, Deputy Prime Minister asked the Australian Qualifications Framework Council in April 2009 to provide advice on how to improve qualifications and recognition arrangements that would lead to more seamless pathways between the vocational education and training (VET) and higher education sector which would benefit students. This work became known as the Pathways Project.

Four separate research papers were commissioned by the Pathways Project Steering Committee to provide comprehensive information on existing practices and arguments for future reform. The research papers examine:

- *Funding for Tertiary Education and Training*
- *Policy and Regulatory Analysis*
- *Programs and Pathways*
- *Data Collection.*

The findings of this research and the views expressed in this report (*Funding for Tertiary Education and Training: Impacts on Credit Transfer and Articulation*), are those of the authors of the report. The views and opinions expressed herein do not necessarily reflect the views of or have the endorsement of the Australian Qualifications Framework Council or any of its members or staff. The Australian Qualifications Framework Council accepts no responsibility for the accuracy or completeness of the contents and accepts no liability in respect of the material contained in the report.

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Summary

The Australian Government asked the Australian Qualifications Framework Council (AQFC) to 'prepare recommendations to improve qualifications and recognition arrangements that will lead to more seamless pathways between the vocational education and training (VET) and higher education (HE) sectors which will benefit students'.

As part of this brief this paper considers the barriers and incentives to the successful movement of students between the higher education (HE) and vocational education and training (VET) sectors that are created by the current and proposed funding arrangements of the sectors and the policy options for new funding arrangements to facilitate improved student pathways through post school education.

The paper involves a consideration of current and emerging financial arrangements in the HE and VET sectors. It draws on previous studies to identify the possible impact of financial arrangements on student movement and the possible policy responses. On the basis of this work questions were developed for interviews with representatives of a wide range of 'sending' and 'receiving institutions'.

Our general conclusion is that while there are substantial differences in the funding arrangements between the sectors these arrangements in themselves do not create major structural or systemic barriers to student movement where institutions have a strategic intent to encourage student movement. Incentives to encourage student movement have been enhanced in the new higher education funding environment where from 2012 there will be no restriction on the number of undergraduates to be funded by the Commonwealth.

This is not to argue that the current arrangements are optimal. For example they do not provide a single source of funding for articulated qualifications. Similarly there are costs involved in establishing and maintaining arrangements among institutions. But the costs are outweighed by the perceived benefits to institutions and individuals from enhanced movement between the sectors. Over time the investment represented in the costs of arrangements between institutions should be recouped as more students move between the sectors.

There is a case for public investment in systemic initiatives to reduce system and transaction costs, and this would also provide fairer outcomes for students holding the same qualification.

Differences and anomalies in access to public subsidies and income contingent loans create disincentives for some students or limit choices in terms of student movement. Although it is not possible to quantify the numbers concerned at present they are likely to grow over time and should be addressed.

1. Introduction

1.1. Background

The Australian Qualifications Framework Council (AQFC) has been asked to 'prepare recommendations to improve qualifications and recognition arrangements that will lead to more seamless pathways between the vocational education and training (VET) and higher education (HE) sectors which will benefit students'. In particular, it has been asked to consider:

- a. The alignment and articulation between competency-based training VET qualifications and knowledge-based university qualifications;
- b. The feasibility of systemic articulation arrangements;
- c. How training and learning pathways can be made clearer for students;
- d. Building discipline knowledge into VET qualifications as a foundation for higher learning; and
- e. How VET qualifications can be 'fully recognised' for higher education entry and be used for mainstream entry.

This project is one of several commissioned by the AQFC to examine these issues.

This work is being undertaken in the context of policies to increase the proportion of young Australians with an undergraduate degree. The policies are to be implemented with an entitlement arrangement whereby universities will be funded on student demand, phased in by 2012. Specific targets include lifting the proportion of 25 to 34 year olds with a degree to 40% by 2025 (from 30% in 2008) and lifting the proportion of undergraduate students from low socio-economic backgrounds from the current 16% to 20 %.

The broader quantitative target for tertiary education covering both HE and VET is that the percentage of persons aged 20 to 64 without Certificate III or higher should be halved by 2020. In 2008 52% of 20 to 64 year olds had Certificate III or higher. Achieving the target requires lifting the proportion to 76%.

1.2. Terms of Reference

This project required a paper that identifies any barriers and incentives to the successful movement of students between the HE and VET sectors that are created by the current and proposed funding arrangements of the sectors and to propose policy options for new funding arrangements that will facilitate improved student pathways through post school education.

The terms of reference are:

- Review current (including for higher education, proposed) funding arrangements for the vocational education and training and higher education sectors in Australia in relation to their effectiveness in assisting or hindering the movement of students between the sectors.
- Provide an analysis of whether these arrangements:
 - provide any structural or systemic barriers to the effective movement of students between the sectors;
 - discourage students from making a choice to continue study in a different sector.

- Develop policy recommendations for improving funding arrangements in both sectors to remove any real or perceived barriers to effective movement of students between the sectors while maintaining the policy objectives to provide VET and HE more generally.

1.3. Report Structure

This report is structured as follows

Analysis of Current Arrangements

Section 2 of the report summarises the current and emerging financial arrangements in the HE and VET sectors and identifies factors for further consideration.

Identification and Analysis of Funding Factors affecting movement

Section 3 of the report analyses previous reports that have identified factors related to the impact of funding on student movement between the sectors and the costs of credit transfer and articulation. It also discusses further factors identified by the research team. These factors informed the development of the instrument used for interviews and were also reflected in an interim report.

Analysis of Interview Outcomes

In order to test the importance of these issues, a survey instrument with scalable responses was prepared to guide the interviews. The design of the questionnaire/interview schedule permitted an analysis of interviewees' ratings of the impact of specific funding issues. The survey items were designed to uncover the extent to which there are:

- Structural or systemic barriers to the effective movement of students between the sectors;
- Structural or systemic barriers that discourage students from making a choice to continue study in a different sector;
- Opportunities for improving funding arrangements in both sectors to remove any real or perceived barriers to effective movement of students between the sectors.

The instrument was divided into three sections to ensure questions were appropriate for the interviewee(s):

- sending institutions;
- receiving institutions; and
- multi-sector institutions.

A sample of 19 VET and HE institutions (VET and HE) and individuals participated in the study. Participants were selected to ensure coverage of a broad range of knowledge, experience and expertise both within the sending and receiving institutions. Various questions on financial arrangements were discussed with state and Commonwealth officials.

Section 3 of the report contains summary outcomes from these interviews.

Findings and Conclusion

Section 4 of the Report outlines the report's findings and conclusions.

1.4. Focus of Report

Consistent with the terms of reference for the broader project, the focus of this report is on student movement through credit transfer and articulation arrangements rather than student movement between the sectors generally. The focus of the report is also primarily on movement from VET to higher education, as this has been the primary focus for policy and where institution to institution arrangements have been established.

The report also distinguishes between the costs of developing and implementing arrangements of credit transfer and articulation, which should enhance student movement, from the effect of the differing funding arrangements between the sectors in terms of the impact of these differences on students' capacity to move between the sectors.

2. Financial Arrangements for the Sectors

Table 1 presents a summary of current and proposed funding arrangements in the Higher Education and VET sectors for domestic students with an emphasis on the factors that might be seen to affect transfers across the sectors. The information supports the analysis in following sections. The large infrastructure grants being made currently are not considered in this analysis.

Table 1: Funding arrangements for higher education and VET (domestic students)

	Higher Education	VET
Responsibility for public funding	<ul style="list-style-type: none"> ▪ Commonwealth 	<ul style="list-style-type: none"> ▪ States fund providers, Commonwealth provides part of the funding to states under various agreements and some direct funding such as employer incentives
Specified quotas/limits to number of publicly supported places	<ul style="list-style-type: none"> ▪ Limits at present ▪ Demand driven provision to all qualified students by 2012 at least for undergraduate courses 	<ul style="list-style-type: none"> ▪ Limits in all states but Victoria ▪ Demand driven in Victoria, progressively from July 2009 for qualifications at level higher than already held
New proposals, national partnerships and infrastructure funding	<ul style="list-style-type: none"> ▪ Additional research and other programs also affecting teaching funding ▪ Indexation of grants from 2012 ▪ Education Investment Fund (EIF) \$3 billion infrastructure funding over four years available to universities, private higher education providers, research facilities and VET providers. 	<ul style="list-style-type: none"> ▪ Productivity Places Program 2008 to 2012 provides significant expansion in publicly funded VET enrolments ▪ National Partnership on Youth Attainment and Transitions over four year, partly to VET ▪ Teaching and Learning Capital Fund \$500 million for TAFE and Community Education ▪ Infrastructure funding through the EIF (VET providers received \$132m of the \$934m second round funding, May 2009).
Changes in real funding per EFTSL or hour of training	Funding per EFTSL lower than in mid 1990s but some relief through various new funds and proposed (nearly) full indexation.	Recurrent funding per hour of publicly funded training has been declining with partial indexation.
Forward commitment	Forward commitment to additional funding to 2012-13	Forward commitment in Commonwealth PPP funding; forward commitment in Victoria to fund entitlement. No forward commitment in other states
Government funding to <i>public providers</i>	Funds from Commonwealth, varied by course cluster per EFTSL, range <ul style="list-style-type: none"> ▪ \$1,709 for Law Business etc ▪ \$18,610 Medicine agric etc ▪ No variation by year of course 	Funds through state governments <ul style="list-style-type: none"> ▪ variation across states and by ▪ field of study
Fees for publicly supported places	Specified range from, maximum <ul style="list-style-type: none"> ▪ \$4,162 national priority courses ▪ \$8,677 Medicine, Law, Business etc ▪ No exemptions for less advantaged but HECS-HELP available 	Fees vary across states and by level of courses but <i>not</i> by field of study. Concessions for less advantaged. <ul style="list-style-type: none"> ▪ Examples of maximum per year Cert I/II Vic \$875 NSW \$428 Apprentice Vic \$903 NSW \$404

	Higher Education	VET
		Diploma Vic \$1500 NSW \$1214
Total funds to <i>public providers</i>	Total funds per EFTSL, approximately <ul style="list-style-type: none"> ▪ \$10,000 approx for humanities to ▪ \$27,000 medicine, dentistry 	<ul style="list-style-type: none"> ▪ Estimated recurrent expenditure including student fee per hour of publicly funded training in 2007 averaged \$13.0 ▪ Implies \$10,400 recurrent cost for a course of 800 hours (implicit user cost of capital is additional) ▪ Variations across states and <i>field</i>.
Government funding to <i>private providers</i>	Funding generally provided only to public providers though particular exceptions e.g. Notre Dame medicine, teacher education, Swinburne Institute. nurse education	<ul style="list-style-type: none"> ▪ Productivity Places Program available through states to public and private providers ▪ Proportion of state funding for apprentices and trainees and for priority projects (lower rate than for public <i>full-service</i> providers) ▪ Proposed extensions occurring under National Partnerships ▪ Victoria all course funding to be contestable by 2012.
Loans	<ul style="list-style-type: none"> ▪ HECS-HELP available to supported students ▪ FEE-HELP to full fee post-graduate students and full fee undergraduate students in approved private providers. ▪ No full fees for domestic undergraduate in public universities. 	<ul style="list-style-type: none"> ▪ FEE-HELP available for approved providers of full-fee courses ▪ FEE-HELP for supported students in Diplomas/Ad Dip in Victoria. ▪ Full fees possible for Diplomas/Ad Dip in public and private providers depending on state policy.
Equity funding to providers	<ul style="list-style-type: none"> ▪ Range of existing programs including for Indigenous ▪ New support for the enrolment of low SES students, funds to reach 4 per cent of teaching and learning grants 	<ul style="list-style-type: none"> ▪ Additional funds mainly for three groups: Indigenous, persons with disabilities and culturally and linguistically diverse ▪ University program for low SES includes partnerships with schools, <i>VET providers</i> and adult education
Funding for articulation or credit arrangements	None earmarked	None earmarked
Regional loading	Additional funds for regional institutions	Additional funds for regional institutions
Full fee courses	<ul style="list-style-type: none"> ▪ None for domestic undergraduates ▪ Most postgraduate courses e.g. Swinburne University \$15,200 per EFTSL Master of Business (Accounting). (FEE – HELP available) 	<ul style="list-style-type: none"> ▪ Full fee courses for places provided beyond specified quotas ▪ Full fee courses in Victoria if enrol in course at same or lower level qualification than already hold ▪ FEE-HELP available for some courses
Student assistance: Abstudy, Austudy, Youth Allowance	Available to full-time students on various tests of means for a period slightly beyond normal duration of course.	Similar availability to full-time students
Student Start up Scholarships	Available to all university students eligible for student assistance e.g. Abstudy, Austudy or Youth Allowance \$2,254 in 2010	Not available to VET students

The following factors emerge from an analysis of current and future funding arrangements within and between the sectors.

- Under the new entitlement scheme for higher education to be in place by 2012 a far higher number of VET students who are eligible for credit in higher education should be able to move to higher education, although their choice of provider will be limited to publicly funded providers, mainly the universities;
- Even with recent and proposed fee increases in VET, fees in government-supported VET will remain well below the fees in publicly funded higher education. However publicly funded VET students in states and territories other than Victoria will not be able to access income contingent loans. Depending on fee levels in VET, these differences could either:
 - create incentives for institutions to construct pathways which lower costs to students; or
 - create disincentives if students cannot access income contingent loans in VET;
- Students in public VET institutions can be charged full fee for degree and sub degree programs (although they are able to access FEE Help) but publicly funded universities cannot charge full fees for these programs.
- Eligible students in higher education will have access to the new Commonwealth start up scholarships but VET students including those in higher education equivalent programs will not;
- The funding differences between the sectors are exacerbated by differences in eligibility for access to public funding within the sectors. There is a much higher level of contestability for public funding in VET (and in particular in Victoria) than in HE. This will affect students' capacity to move within and between institutions; for example a student in a subsidised VET Diploma in a private provider will not be able to access a subsidised HE place in the same institution but could access a subsidised place at a public university;
- In the VET system in states and territories other than Victoria, government-supported places will be available for students with any level of past qualifications. However in VET in Victoria there will be government-supported places for all those studying at a level higher than their previous educational qualification; but e.g. full-fee places only will be available to university graduates (except in a very small number of exceptional cases).
- Significant differences in the level of recurrent funding available between the sectors are likely to emerge. Following the Commonwealth Government's decisions on the Bradley Review public universities will see a progressive increase in the legislated level of public investment to 2012-13 including \$491 m in funded growth from 2009-10 – 2102-13. The Commonwealth has also committed to additional funding for VET through the states through its Productivity Places Program. Victoria through its Skills Reforms has announced an additional \$316 in funding including \$139m for demand based contestable funding but the financial outlook for VET in other jurisdictions is uncertain, with state revenues under significant strain. This may affect the level of provision between the sectors, the relative funding levels per student and the number of subsidised places available in VET institutions relative to those available in universities.

3. Analysis and Identification of Issues

3.1. Review of Previous Reports

A review of the available literature has revealed little research in relation to the impacts of funding arrangements on student movement between sectors including credit transfer and articulation; however, the issue has been considered in some detail in previous commissioned reviews and national reviews of higher education.

Chapman, Doughney and Watson (2000) undertook a comprehensive analysis of the different funding and accountability arrangements across the VET and HE sectors. They argued that identified differences in funding systems (i.e. level of government responsibility), reporting and classification of students and disciplines and student fees impacted on the capacity of institutions to offer dual sector qualifications, and in particular qualifications drawing on elements from a different sector,. They cited in particular the experience of dual sector institutions. They believed that this ultimately affected students' choices, levels of credit available, differing fee levels and access to income contingent loans. The authors argued for a common funding framework or model across the sectors and for improved consistency in student financial contributions.

An ANTA/AVCC study (2000) noted that limited financial incentives existed to support collaborative activity and that any cross sectoral arrangements funded by government would signal government commitment to collaboration as a central policy objective and acknowledge the resource intensive nature of the process.

Varieties of Learning (2002), a consultation paper developed by the Department of Education, Science and Training (DEST) for the former Government's higher education reform process explored in some detail the interface between higher education and VET and included a consultation question '*should incentives be considered for institutions that demonstrate good practice in admission and credit transfer.*'

In its submission to the Review, ANTA noted that the case by case approach to assessment of credit transfer was '*time consuming and resource intensive*'.

Varieties of Learning also cited Doughney who argued that under dual sector (i.e. jointly offered) programs funding, compliance requirements would undermine policy development and practices that conflicted with these requirements whereas articulated (i.e. sequential) awards were relatively easy to manage.

Varieties of Learning highlighted the potential effects of anomalies and disincentives arising where students accrue lower HECS debts where they receive credit for VET studies but also where VET students faced upfront fees but could not access income contingent loans.

However although significant factors were canvassed in the consultation process for the Review, the former Government's policy statement, *Our Universities: Backing Australia's Future*, was notable in that it made no mention of, and contained no recommendations in relation to, inter-sectoral factors including in its funding reforms through the introduction of the student learning entitlement and the Collaboration and Structural Reform Fund.

MCEETYA subsequently commissioned a national study to improve credit transfer and articulation between VET and HE. The subsequent Phillips KPA Report *Giving Credit Where Credit is Due* (2006) based on several case studies, consultations and a literature review concluded that:

'One of the greatest impediments to credit transfer arises from sectoral differences in funding and accountability'.

The Report goes on to say that:

'The case studies provide many examples of related issues and concerns raised by the institutions attempting to implement credit transfer arrangements. These include differences in funding regimes and rules, legal requirements, terminology, timelines and processes for reporting, methods for calculating student load, timetabling, staff workload allocations, and staff employment requirements and expectations' (p12).

The Report identified several funding issues as important including:

- Systems and structures
- Staffing
- Transition and student support
- Communication
- Maintenance of curriculum and courses

The Report noted that a detailed analysis of the costs was beyond the scope of the study but argued that additional funding was needed to create incentives and provide the additional support required. It recommended:

1. *'That DEST work with states/territories to provide funding incentives to higher education institutions to increase the numbers of VTE students granted credit. The full range of possible options should be considered in consultation with the higher education sector. The options to be considered should include, but not be limited to: building a financial incentive such as a loading or bonus into Commonwealth-supported higher education places that involve the equivalent of at least one year of credit for prior VTE studies; a performance-based funding scheme similar to that used for the funding of Aboriginal and Torres Strait Islander students; and/or joint Commonwealth and state funding for additional places earmarked for credit transfer to be made available to the higher education sector'.*
2. *'That DEST, with contributions from states/territories, establish a funding scheme to be allocated on a competitive basis to assist VTE and higher education institutions develop the appropriate systems, policies, structures and processes to support effective credit transfer from VTE to higher education'.*

Conditions for receiving funding would include meeting the minimum institutional requirements for credit transfer arrangements set out in this report. To ensure that funded initiatives are sustainable, funding would need to be available for at least three years.

One means of implementing recommendation 2 could be to make this outcome a higher and more explicit priority in the Collaboration and Structural Reform Fund and to open up this funding to VTE as well as higher education institutions. The recently published guidelines for this funding scheme, while not precluding collaborative VTE/HE projects, identify collaboration between higher education institutions as the main priority for funding.

Little action has been taken on these recommendations. Higher education institutions have not been provided with any financial incentives to increase the numbers of VET students granted credit. Some state governments, however, have sought to encourage credit transfer from VET to higher education by supporting cooperative arrangements between institutions.

A recent Parliament of Victoria review of geographic differences in higher education participation¹ considered the role of pathways to higher education through TAFE. The review highlighted the barriers to articulation and credit transfer posed by sectoral differences in curriculum and assessment as well as complexities created by differences in accreditation, governance and funding.

Among other initiatives, the review recommended additional support for TAFE institutes to help them to negotiate and promote articulation arrangements. It recommends that the State government funds a pathways coordinator to negotiate credit transfer and articulation arrangements for each TAFE institute. The review also suggests that the Australian Government should provide financial incentives to encourage universities to improve their credit transfer arrangements and rates.

The Discussion Paper for the 2008 Review of Australian Higher Education (DEEWR, 2008) also highlighted differences in funding arrangements between the sectors including the differences in student financing but said that:

‘While some commentators have highlighted the complexities for institutions of working within two separate regulatory and funding frameworks, others have noted that these differences are more of a concern to the institutions and governments and may not be an issue for students’.

Submissions to the Bradley Review² generally focussed on the role and nature of VET and HE in the context of the broader tertiary sector (e.g. Griffith University has a comprehensive analysis of these broader issues) possibly because the Review itself focussed debate on the overall architecture of a broader tertiary education and training system in terms of governance, funding and regulation and the characteristics of the sectors; although a number also argued for specific funding support for articulation and credit transfer.

Some submissions (e.g. Innovative Research Universities, Canberra Institute of Technology) argued for funding incentives to encourage university/VET partnerships including a loading for TAFE transferees (Deakin University) or tagged grants for TAFE graduates (Box Hill Institute). Others (e.g. Victoria University) focussed on the need for a coherent tertiary education funding framework including extension of any learning entitlement across the sectors or streamlining of and reduction in duplication of funding between the sectors (ACCI). Some submissions argued that the levels of upfront TAFE fees were a disincentive (University of South Australia). Many submissions identified broader differences between the sectors including logistical issues in shared campus delivery (Queensland University of Technology). TAFE Directors Australia argued for the implementation of the recommendations of the Phillips KPA Report referred to above and also expressed concern about the balance of prospective growth between the sectors.

The Bradley Review³ recommended the extension of the tertiary education entitlement and income contingent loans to VET, commencing with Diplomas and Advanced Diplomas. It did not propose

¹ Parliament of Victoria, Education and Training Committee, 2009. *Inquiry into Geographical Differences in the Rate in which Victorian Students Participate in Higher Education*.

² Submissions can be found at <http://www.deewr.gov.au/HigherEducation/Review/Pages/Submissions.aspx>

³ op cit.

specific funding incentives for articulating students or additional support to meet the costs of credit transfer and articulation arrangements (such as those suggested above).

The reasons for this were twofold:

- There was a strong view expressed in the Review's consultation process, and in submissions to the Review, that universities were bidding for and administering too many relatively small sources of funding for specific purposes, with high compliance costs and a perceived lack of transparency in some of the decisions taken on the allocation of funds;
- The primary focus of the Review was on the extension of student and demand based funding as a key element of growth to meet attainment targets which together with equity loadings should drive increased intakes into higher education through a variety of alternative entry methods all of which carry both costs and offsets in terms of increased student load.

The Review did however propose an \$80 million fund for sustainable higher education provision in the regions including flexible and collaborative delivery arrangements with other providers including TAFE. It recommended considerable additional funds to support the increase in enrolment of students from low SES background that will in part support transfers from VET. It also recommended a new structural adjustment fund to assist institutions to adapt to the reforms proposed in the report which could include cross sectoral collaboration and delivery and even new forms of multi sector institutions. The Review Panel did not advocate or support specific structural models, arguing that these should flow from institutions themselves. Specific measures and targets for articulating students could also form part of the performance based funding agreements to be negotiated with each institution.

3.2. Other Issues

In addition to factors arising from the above analysis of previous reviews, insights have also been gained from project team members' knowledge of institutional practices and from participation in other related projects. These factors include:

1. Quality and consistency - trust in the integrity of VET qualification outcomes at the system level arguably reduces the need for receiving institutions to enter into agreements with specific institutions and to put in place time consuming processes to assess credit levels particularly as agreements may also discriminate between students with the same VET qualification from different providers;
2. Admissions practices where admissions officers find it easier and less costly in time to select students from tertiary admissions rankings rather than assessing applications from articulating students;
3. The costs to VET institutions of developing and conducting graded assessment to assist with the selection of articulating students into HE where places are limited or because the HE institution will only accept students with certain grades.
4. Work through the COAG/NQC project on VET products for the 21st century has identified the importance of foundation skills and underpinning knowledge for both further learning as well as workplace outcomes. However, preparation for higher education is currently not explicitly funded as part of VET delivery and assessment.

5. Student income support and the extent to which (if any) there are differences between the sectors which influence student movement or the take up of credit.
6. Fees will deter enrolment, though it is not easy to estimate the exact effect of the combination of higher fees plus HECS loans compared with smaller fees, concessions and no loan scheme. The effects will vary e.g. students with no or little income compared to those already in work on at least average incomes. Past research on HECS has showed little effect on enrolments of young persons with low earnings but this may not reflect the effect on VET students articulating to HE.
7. Low completion rates among persons seeking full qualifications in the VET sector may be a factor limiting transfers from VET to higher education. Funding incentives directed at VET qualification completion rates could significantly increase articulation, but this is a matter beyond the scope of this report.

3.3. Factors Identified for Interviews

From the preceding analysis, a range of factors relating to the *costs* of articulation and credit transfer and the *effects* of the differing funding arrangements between the sectors have been identified. These factors formed the basis of the instrument used for interviews with leaders in institutions and also informed interviews with system level representatives.

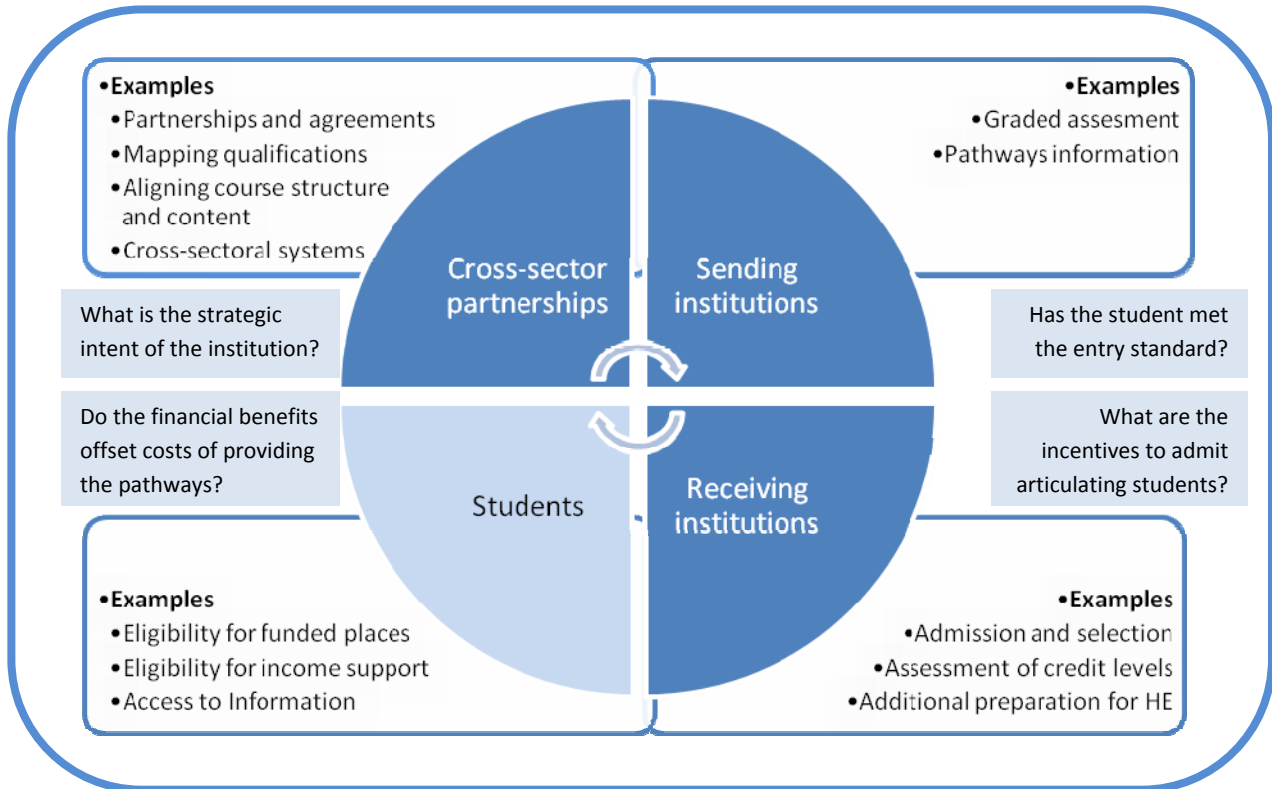
For ease of reference and analysis the factors can be grouped in the following categories.

1. Partnerships and agreements (development and maintenance)
2. Aligning course structure and content
3. Admission and selection
4. Assessment of credit levels
5. Additional preparation for HE
6. Provision of information to articulating students
7. Funding levels and systems
8. Financial benefits to institution
9. Savings to student (financial and time)
10. Eligibility for income and study support
11. Full implementation of higher education funding reforms

Distinctions can then be made between provider to provider issues, impacts on individual student and impacts on sending institutions and receiving institutions. It is important to distinguish between the factors that influence the *relative balance of provision* between the sectors; and the specific factors that affect *student choice and student movement between* the sectors.

These factors and their relationship are summarised in the following figure.

Figure 1: Funding Factors Influencing Student Movement and Credit Transfer



3.4. Interview Outcomes

The following section:

- Outlines the key factors tested in the interviews;
- Provides a summary of interview outcomes for ease of reference.

Table 2 provides a summary of the issues under consideration and the detailed qualitative information gained through the interviews. Table 3 sets out the relative significance of the interview outcomes.

Table 2: Detailed analysis of funding factors

	Sending institutions	Receiving institutions
<p>1. Partnerships and agreements</p> <p>(a) Development</p> <p>(b) Maintenance</p> <p>Examples:</p> <p>a. Governance – joint committees</p> <p>b. Time of designated units/staff (central and faculty-devolved)</p> <p>c. Time of program/course co-ordinators</p> <p>d. Ensuring linkages with current guidelines, institution policy</p> <p>e. Cross-sectoral IT systems</p>	<p>Key issue: Level of investment depends on strategic intent of institution at senior leadership levels. This investment is often considered a ‘dispersed cost’ that is carried by various faculty/division budgets within the sending and receiving institutions.</p> <p>There are significant costs in establishing, maintaining and providing pathway arrangements. The agreements are in a constant state of revision and development which involves significant costs to the institution both at the faculty level and in central co-ordinating roles. Where put into operation, the central positions have evolved over time to minimise duplication of effort at the faculty level and to assist in embedding these activities into the mainstream.</p> <p>There may be a centrally located ‘pathways/articulation manager’ supported in this role (directly or indirectly) by a range of other staff across the sending institution – their time is absorbed within normal duties and budgets. Such staff members include teachers, faculty administration officers, heads of school, faculty directors, student counsellors, marketing team, executive management group, student administration manager and officers.</p> <p>There are significant costs in the development of appropriate systems, policies, governance structures and processes to support effective credit transfer. There are costs in assessing accreditation of the receiving institution (onshore or offshore), endorsement of the agreement through the institution, systems development (IT) to ensure cross-sectoral alignment and maintaining currency of information.</p> <p>There are also different review cycles between VET and higher education, which has implications for when/how often faculty staff, can be released to undertake these reviews.</p>	<p>In most cases, the costs of maintaining and ensuring currency of agreements are significant – depending on the maturity and sophistication of the systems and process.</p> <p>For many institutions, the investment is another reality of doing business in a university. Once the systems become more co-ordinated and institutions have a process in place that connects with a vision, the costs become less significant.</p> <p>Agreements require constant monitoring through TAFE/HE co-ordinating committees (where they exist). They require significant resources to be effective. Varying structures exist, often devolved to the faculty level, to ensure agreements; course information and the amount of credit available remains current.</p> <p>This ‘maintenance’ can be very time consuming for both academic and administrative staff and is usually borne from faculty budgets. In one collaboration, a part-time Articulation Officer in each institution supports staff and students with the establishment, revision and uploading of articulation and credit transfer agreements on a database.</p> <p>There is a one off cost to undertake mapping for each qualification but this mapping must be continuously reviewed and updated which can incur some significant costs to the institution.</p> <p>Courses are entered into a database by date because qualifications change in scope and structure (e.g. electives) If there are no formal arrangements, there is more significant cost in verifying results and assessing equivalence of academic content.</p>

	Sending institutions	Receiving institutions
<p>2. Aligning course structure and content</p> <p>Examples:</p> <ul style="list-style-type: none"> a. Review b. Approval c. Meeting articulation requirements 	<p>Key issue: Ensuring that courses align with articulation arrangements and training package content can require significant investment of resources and communication between institutions. However, it is unclear how this can affect credit transfer and articulation.</p>	
	<p>This is considered one of the key significant costs to sending institutions. Training packages are constantly changing and agreements require ongoing checking and updating.</p> <p>There are initial high costs in mapping qualification credits. Designing programs is relatively straightforward – ensuring the content aligns with appropriate credit is a more costly and resource intensive exercise.</p> <p>This requires close collaboration and relationship building between institutions which requires significant staff hours, training and resources.</p> <p>However, there are genuine opportunity costs in not undertaking these activities.</p>	<p>Not asked of receiving institutions</p>
<p>3. Admission and selection</p> <ul style="list-style-type: none"> (a) Through TAC or equivalent (b) Direct entry <p>Examples:</p> <ul style="list-style-type: none"> a. Graded assessment b. Processes associated with non-school leavers admitting through Admissions Centres c. Processes associated with non-school leavers admitting through special entry 	<p>Key issue: Costs are more significant for admitting and selecting students who do not come through tertiary admissions centres or formal articulation arrangements. The cost to sending institutions of conducting graded assessment varies depending on how great the need is. Graded assessment has generally become a mainstream activity.</p>	
	<p>The actual costs of graded assessment are carried as a teaching/training cost rather than an administrative/activity cost. The more significant issue is timely assessment as some VET institutions don't produce their results before first round selection is due.</p> <p>There are examples of new student administrations system developed to accommodate graded assessment e.g. CT (pass), CC (credit), CD (distinction).</p> <p>Most institutions acknowledge that graded assessment practices are mainstream in the VET sector but that there is little consistency or transparency in the forms of assessment used.</p>	<p>The costs of assessing and selecting direct entry students may be a dispersed cost carried by faculties and articulated program coordinators.</p> <p>Where students are accepted through tertiary admissions centres the costs are less significant. The more significant issue is in the timeliness of selection. Institutions invest significant resources in assessing direct entry applicants. There are additional costs associated with special entry students presenting portfolios and/or requiring interviews.</p>

	Sending institutions	Receiving institutions
<p>4. Assessment of credit levels</p> <p>Examples:</p> <ul style="list-style-type: none"> a. Credit assessment b. Co-coordinating support c. Faculty activity costs 	<p>Key issue: The cost to receiving institutions of conducting a credit assessment comes at significant to very significant cost. These activities are subsumed into existing budgets and duties. Depending on the agreement with the sending institution (if one exists) each assessment requires a tailored approach, making it difficult to reach economies of scale over time.</p>	<p>Standard articulation arrangements assist in minimising costs of assessing credit. A known qualification can be assessed relatively quickly and at low cost. Universities are at varying stages of considering models of automatic credit.</p> <p>Selection Officers may have no explicit procedures for prioritising various streams of students which may allow for some variation from Selection Officer to Selection Officer.</p>
<p>5. Additional preparation for HE</p> <p>Examples:</p> <ul style="list-style-type: none"> a. Underpinning skills b. Literacy and numeracy c. English language 	<p>Key issue: The additional preparation of students for HE studies is seen as the responsibility of the receiving institution. It is generally considered a mainstream activity for all students and therefore cannot be considered a significant cost flowing from the provision of credit transfer and articulated pathways. Most universities have found that TAFE entrants achieve and progress at comparable levels to other entrants.</p>	<p>Bridging courses are seen as the responsibility of the receiving institutions. Some dual sector institutions are more closely considering preparation modules for pathways students.</p> <p>For international students, these activities could equally be considered as 'income generators' for institutions and costs to the students e.g. IELTS requirements, ELICOS courses. Generally, any extra costs for international students are incorporated into tuition fees.</p> <p>Language support can be a big issue that may 'swamp' other factors in VET-HE preparation e.g. underpinning skills.</p>
		<p>Cost is a barrier to the provision of academic skills courses in addition to regular course provision. This varies significantly between disciplines.</p> <p>The provision of ELICOS and language support classes is not necessarily directly offered in response to articulating students.</p> <p>Some universities considering new streams where all students undertake academic skills regardless of entry point.</p> <p>There are incentives for universities to continue taking in these students to keep ENTER scores at a higher level although risking lower progress rates.</p> <p>Some articulation arrangements set a performance standard that students must meet in order to progress to the receiving institution.</p>

	Sending institutions	Receiving institutions
<p>6. Provision of information to articulating students</p> <p>Examples:</p> <ul style="list-style-type: none"> a. Websites b. Handbooks c. Designated offices d. Training course conveners in both institutions e. Information on preparation courses for university studies f. Support and advice from Student and Academic Services staff 	<p>Key issue: The provision of information is generally seen as a mainstream activity and cannot be considered a significant cost flowing from the provision of credit transfer and articulated pathways.</p>	
	<p>The staff involved may be members of the institution marketing, pathways or articulation area, guidance counsellors, some teachers, heads of school. As articulation pathways are just one of many products the sending institution offers, this work is subsumed in broader job roles. These are mostly mainstream activities that are absorbed within existing marketing and promotions budgets.</p> <p>The costs range in levels of significance depending on where prospective or current learners and graduates are at in the cycle.</p>	<p>Higher education institutions routinely invest substantial resources into advising prospective and new transfer students through the provision of online information, call centres, handbooks - not an 'additional cost'.</p> <p>There are initial costs of raising awareness and credibility pathways, especially establishing a database and website, but costs reduce over time.</p>
<p>7. Funding levels and systems</p> <p>Examples:</p> <ul style="list-style-type: none"> a. Relative funding levels between VET and HE b. Dual-sector enrolments – nested qualifications c. Effect of credit on budgets, funding and provision 	<p>Key issue: This problem is most felt in dual sector institutions. The concern is more with the availability of information to students to ensure they make the right decision for them and are made aware of the implications of enrolling in one unit/sector or another.</p> <p>Are students exempted from HECS for those credit points that the VET qualification is deemed to equal but still required to pay up front for that VET study directly to the Registered Training Organisation (RTO)?</p> <ul style="list-style-type: none"> • If so, are there equity factors if the costs at one RTO are higher than at other RTOs – given the differences across the states in VET funding and program costs? • Or is a legally binding arrangement entered into whereby a university pays an RTO to deliver the VET qualification and the students still pay HECS to the university? 	
	<p>Institutions see this as a straightforward matter - VET units attract VET funding and HE units attract HE funding. Institutions cannot enrol students in VET under HESA and students cannot access VET FEE-HELP if enrolled in a higher education qualification.</p> <p>Enrolling students concurrently or in nested qualifications can be very problematic for sending institutions. Anecdotally, this influences some dual sector universities' practices.</p> <p>There is variability in the rate of publicly funded VET between the jurisdictions and this can impact on cross-sectoral investment.</p>	<p>VET/HE funding ratios vary between jurisdictions. Industrial agreements also an issue in building collaborative and sustainable arrangements.</p> <p>Any reallocation of resources as a result of exempting students for first year units (that may be less expensive to deliver) is offset by larger numbers coming into later years and better than average retention rates. If some or all students took articulation pathway and unis had to fund years 2&3 without the benefit of first year efficiencies, this would create a problem.</p>

	Sending institutions	Receiving institutions
<p>8. Financial benefits to institution</p> <p>Examples:</p> <ul style="list-style-type: none"> a. Marketing and promotion b. Onshore and offshore c. Competitive advantage 	<p>Key issue: The costs of developing and maintaining articulation agreements are offset by the provision of greater student choice, marketing opportunities, developing organisational capability and opportunities for professional development.</p>	
	<p>Students, particularly international students, are responding to articulation pathways. It can provide a significant competitive advantage in the market place. The capability to market, through articulation arrangements, 2+1 or 1+3 offerings (or similar) can bring significant financial benefit to the institution and cost/financial savings to the student.</p>	<p>Articulation pathways present greater predictability for students – which can be a powerful marketing tool. Benefits are not just financial but relate to time and security - e.g. guaranteed places.</p> <p>Anecdotally, this is more significant for international students and can involve large numbers of students in offshore programs.</p>
<p>9. Savings to student</p> <p>Examples:</p> <ul style="list-style-type: none"> a. Financial savings b. Time savings 	<p>Key issue: Institutions believe that the savings to students relate more to the time savings rather than the <i>financial</i> savings by enrolling in one unit or qualification over another. VET students can, for instance, complete the equivalent of first year university paying only a fraction of the cost of HECS. The time savings, however, expressed as a year of full-time earnings, could be several times greater than any savings on HECS. On the other hand, the behaviour of some students is relatively unresponsive to financial considerations and they choose not to apply for credit for which they may be eligible.</p>	
	<p>The availability of VET Fee Help to students undertaking Diplomas and Advanced Diplomas that have credit transfer arrangements negotiated into university degree programs may have some significant implications. All eligible Diplomas will probably therefore be offered under two pricing options:</p> <p><u>Option A</u> full fee cost for which students will be able to get a VET Fee Help income contingent loan;</p> <p><u>Option B</u> subsidised but upfront cost with possible exemptions for disadvantaged students as currently exists.</p> <p>Decisions about future pricing is complicated by how many government funded hours will be purchased by the state government. In disciplines where few hours will be purchased (e.g., in business and accounting) providers may have little choice but to offer only the full fee cost of a Diploma in tandem with the fee relief option of getting a VET fee help loan. The effect will be that the cost of Diplomas in these areas, albeit deferred, will probably now be similar perhaps even more than the cost of HECS for the first year of a related</p>	<p>The provision of credit for studies already taken is a strong incentive for students. For the most part students, think more about the time saved rather than the financial savings, (although this will clearly vary between student groups, low SES students are more likely to be both time and cost sensitive)</p> <p>Fee levels may be distorted in some cases and fee-differentials between the sectors are a fundamental issue.</p> <p>If students fail, there will be no savings. The inclusion of multiple exit points (with qualifications) can assist. The possibility of failure also exists within VET, which apart from apprenticeships has possibly a higher non-completion rate than HE.</p> <p>HECS is not a disincentive to most students, as many studies have shown. There is a possibility that students articulating from VET may be more likely to be employed full-time and meet the income thresholds for immediate repayment of any loans. It is an area that requires further research into student assessment of financial/risk aversion, the opportunity cost of not studying and private rate of return to investment in</p>

	Sending institutions	Receiving institutions
	degree.	VET/HE. Some students articulating from VET courses choose not to apply for credit transfer, possibly because of issues around maintaining full-time enrolment status, eligibility for income and study support and perceived non-equivalence of prerequisite studies.
<p>10. Eligibility for income and study support</p> <p>Examples:</p> <ul style="list-style-type: none"> a. Income support b. Study support c. Scholarships d. Visa requirements 	<p>Key issue: Institutions are not aware of any major funding barriers that may affect the eligibility of students for income and study support. There are ways in which institutions can work with students to ensure they maintain eligibility.</p>	
	<p>There were some anomalous examples provided however this is not a widespread issue for sending institutions.</p>	<p>Study programs with large amounts of credit may leave students with light study load in some semesters which could affect eligibility for income support.</p> <p>International students do have some real difficulties in maintaining full-time load for Visa purposes but this is addressed in the National Code 2007.</p>
<p>11. Full implementation of higher education funding reforms</p> <p>Examples:</p> <ul style="list-style-type: none"> a. Access and participation b. Removal of caps in 2012 c. Incentives for low SES d. Bradley (or Victorian) entitlements 	<p>Key issue: Institutions take the view that the future developments in the VET/HE sectors should assist with student transfer between sectors – providing there is sufficient trust and understanding between the sectors to promote collaborative and reciprocal partnerships.</p>	
	<p>Debate will need to consider funding equivalents between universities and TAFE providers and whether market forces should determine qualification offerings or if interventions should be made to delineate offerings between the sectors.</p> <p>The link between higher education course offerings and industry needs are not publicly transparent.</p>	<p>Most institutions believe that if the new incentives/removal of caps will be an impetus to improve access, participation and student motivation - Indigenous, low SES, first-in-family students. If caps are off then institutions receive more funds for taking more students which could lead to a fall in ENTER scores. This would provide an incentive to take students through other pathways.</p>

Table 3: Relative significance of factors

Issue	Not at all significant	Some significance	Significant	Very significant
1. (a) Partnerships and agreements (development)			✓	
(b) Partnerships and agreements (maintenance)				✓
2. Aligning course structure and content			✓	
3. (a) Admission and selection (through TAC or equivalent)		✓		
(b) Admission and selection (direct entry)			✓	
4. Assessment of credit levels			✓	
5. Additional preparation for HE		✓		
6. Provision of information to articulating students		✓		
7. Funding levels and systems			✓	
8. Financial benefits to institution				✓
9. (a) Savings to student (financial)			✓	
(b) Savings to student (time)				✓
10. Eligibility for income and study support		✓		
11. Full implementation of higher education funding reforms			✓	

4. Findings and Conclusions

4.1. Relative Costs of Articulation and Credit Transfer

Before considering the nature and relative importance of the individual factors, it is important to consider the collective impact of these factors on student movement particularly through articulation and credit pathways.

Contrary to some reports, our interviews with institutional representatives suggested that even where many of the factors discussed involve significant costs, they do not create unsurmountable barriers within the VET and HE systems to credit transfer and articulation arrangements or to student movement from VET to HE. The key issue is one of strategic intent. Where universities have determined that their student intakes will be increased and broadened by admitting students from VET particularly with credit these costs are seen as part of the costs of doing business in the same way as costs are incurred for a range of other activities.

This is reflected in the assessment of the benefit to individuals and institutions of student movement through articulation and credit transfer:

- for sending institutions in terms of being able to promote outcomes (employment, dual awards and guaranteed further study);
- for receiving institutions by broadening the base of potential learners from trusted sources in the new demand/growth focussed higher education funding environment and;
- for students in terms of reduced costs particularly in time and in terms of multiple outcomes.

4.2. Relative Significance of Cost Factors

Table 3 suggests that the most significant costs to both sending and receiving institutions are the costs of developing and, even more, in maintaining institution to institution agreements. This is because of the complex process of initial mapping VET units and qualifications to higher education courses and then because of the need to continually revise mapping due to changes in content and structure.

Even where these agreements exist, the costs of admissions and assessment of credit levels for individual students are also significant (although less so where students articulate through tertiary admission centres or receive dual offers, as in Queensland).

The costs to sending institutions of graded assessment is also an issue for some institutions but less so for others, depending on whether or not graded assessment has been introduced as a general practice and not only to assist with selection of students for higher education.

It is interesting to note that costs associated with transition, learner support and information are seen as less significant. Although there are costs involved, for most of the receiving institutions these services are provided to many other students with specific needs.

The costs to institutions of developing and maintaining provider to provider agreements of graded assessment and to some extent of individual assessment of for admissions and credit can be seen as the consequence of individual institutions developing their own practices and policies (within the framework of MCEETYA and AQF Guidelines) but also as an issue of trust in the perceived quality and integrity VET qualifications (that is they will only grant automatic credit to students from partner institutions). These agreements and policies are however largely a matter of individual provider choice.

However, in any credit systems institutions will always reserve the right to assess individual levels of credit into qualifications that have substantial pre-requisite knowledge, technical content and sequences of learning. This is a particular issue given the elective structure of many Training Package qualifications. The issue is to make individual credit assessments simple, transparent and consistent.

4.3. Priorities for Funding Support to Improve Student Movement

This analysis suggests that to the extent that funding should be available to enhance student movement between the sectors. it should be directed to systemic improvements across and between the sectors rather than subsidising the policies and practices of individual institutions.

There are main areas where systemic reforms could reduce costs to individual institutions:

- Greater use of tertiary admissions centres as processing and clearing houses through the inclusion of VET qualifications, the calculation of tertiary entrance scores and through the use of dual offers;
- Through the development of system level agreements such as those in South Australia and Queensland supported by guidance and advice on the mapping of VET to higher education qualifications;
- Through the development of field of study or industry agreements such as those negotiated in the early 1990s between the former TAFE Chief Executive Committee and groups of universities;
- Through the introduction of moderated assessment and common assessment tasks and instruments across participating VET institutions to build confidence and trust in the quality and consistency of outcomes across institutions;
- Through a stronger focus on the development of underpinning knowledge and an explicit requirement of preparation for further learning in VET qualifications; and ensuring that VET funding levels support the achievement of these outcomes;
- By creating models for shared delivery funding arrangements between institutions.

4.4. Relative Significance of Differences between the Sectors

As highlighted in Table 1, there are significant differences in the funding and accountability arrangements between VET and higher education. These factors have been raised in previous reports and again in the interviews for this project. However, although these differences preclude

single source funding for dual sector qualifications and articulation arrangements, they do not preclude partnerships between universities and publicly funded VET institutions where universities fund higher education units and the VET institutions fund VET units, in particular where VET units are taken first.

However the differences between the sectors in eligibility for public funding, access to HECS HELP, relative fee levels and in the future, relative funding levels do affect the capacity of individual students to move on an equitable basis between the sectors or between different institutions. These anomalies are likely to widen and affect more students as the tertiary education provider market changes, new forms of qualifications and pathways evolve and student choice widens.

It is not clear if the recommendation of the Bradley Committee for the extension of the Commonwealth-funded tertiary education learning entitlement and HECS to VET Diplomas and Advanced Diplomas and to additional higher education providers will be pursued and if so when, but as an interim step the Commonwealth and the States should consider measures to remove or reduce the anomalies which have been identified in several reports over the past decade which do affect student movement.

There are no factors in eligibility for student income support which would appear to affect student movement between the sectors, however students receiving substantial credit will need to receive advice on planning their studies and institutions will need to be mindful of the structure of courses to ensure that are able to maintain full-time workloads and continue to be eligible for income support. There is also a clear anomaly in the entitlement of VET students to the new Start-Up Scholarships available in higher education and this may also influence the point at which potential pathways students decide to begin their tertiary studies.

4.5. Relative Funding of the Sectors - The Future Landscape

The introduction of student-centred and demand-based university funding from 2012 and in the interim the more flexible approach to over-enrolments should facilitate increased student movement from VET to HE including through credit based articulation pathways.

However, the extent to which VET to higher education articulation pathways grow, and are taken by students in the medium to longer term is not clear particularly in the context of the changing landscape of tertiary qualifications.

For illustrative purposes, three scenarios have been developed however these scenarios are not mutually exclusive they could all play out in different localities and between different institutions.

Scenario one – the status quo

Under this scenario, there will be gradual but patchy expansion of articulation pathways with growth most concentrated in a relatively small number of public universities seeking to grow and diversify their student base. Other universities will consider the development of articulation pathways but will be deterred by high development and ongoing transaction costs.

Scenario two – significant growth in student movement through articulation pathways

Under this scenario, many if not the majority of universities will develop articulation pathways and transfer systems and policies to actively seek to grow their student intakes through the VET sector, including through the development of dual awards and dual offers, the provision of associate degrees in partnership with VET and franchising arrangements for the institutions to provide the initial years of higher education programmes (although the latter does not qualify as movement from VET to higher education).

Scenario three – decline in student movement between the sectors

Under this scenario, strong funded demand based in growth in higher education together with static or falling resourcing levels in VET see increasing numbers of potential articulating students directly entering higher education, increased provision in some universities of higher education diplomas and advanced diplomas, associate degrees and vocational degrees with embedded VET units. Concurrently or alternatively increasing numbers of VET providers become accredited higher education providers as an alternative to negotiating credit transfer and articulation agreements with universities and other higher education providers.

Although this scenario is least consistent with current policy settings it is relevant to note that enrolments in publicly funded VET diplomas and advanced diplomas have fallen in recent years as unmet demand for higher education has declined. A number of TAFE institutes have also become accredited higher education providers and both co-operate with and compete with universities.

4.6. Conclusion

The terms of reference for this project asked that the consultants provide an analysis of whether funding arrangements between the sectors provide any structural or systemic barriers to the effective movement of students between the sectors and discourage students from making a choice to continue study in a different sector.

Our general conclusion is that while there are substantial differences in the funding arrangements between the sectors these arrangements in themselves do not create major structural or systemic barriers to student movement where institutions have a strategic intent to encourage student movement particularly in the new higher education funding environment. This is not to argue that the current arrangements are optimal particularly in providing single source funding for articulated qualifications. Similarly there are costs involved in establishing and maintaining these arrangements among institutions but the costs are outweighed by the perceived benefits to institutions and individuals from enhanced movement between the sectors. Over time the investment represented in these costs should be recouped as more students move between the sectors.

There is a case for public investment in systemic initiatives to reduce system and transaction costs, investment which would also provide fairer outcomes for students holding the same qualification.

Differences and anomalies in access to public subsidies and income contingent loans create disincentives for some students or limit choices in terms of student movement. Although it is not possible to quantify the numbers concerned at present they are likely to grow over time.

The most significant issue in the medium to longer term however is the potential for a growing disparity in the resourcing base between VET and higher education in most states with consequent impacts on per student funding levels, fee levels and the relative level of provision in the sectors.

Appendix One – Survey instrument

AQFC Pathways Project (Funding) – Survey questions

Institution:
Interviewee(s):
Date:

Background

This project is being undertaken by CEET and Peter Noonan Consulting for the Australian Qualifications Framework Council and is concerned with:

A review of current and proposed funding arrangements for the vocational education and training and higher education sectors in Australia in relation to their effectiveness in assisting or hindering the movement of students between the sectors.

An analysis of whether these arrangements:

- provide any structural or systemic barriers to the effective movement of students between the sectors;
- discourage students from making a choice to continue study in a different sector.

Policy recommendations for improving funding arrangements in both sectors to remove any real or perceived barriers to effective movement of students between the sectors while maintaining the policy objectives to provide VET and higher education more generally.

The survey is divided into three sections:

- For **sending** institutions only;
- For **receiving** institutions only; and
- Supplementary questions for **multi-sector** institutions.

**PLEASE SEND YOUR RESPONSES AFTER THE INTERVIEW TO JUSTIN BROWN—brownj@acer.edu.au
—or by fax 03 9277 5500**

SURVEY

Please indicate the extent to which the following limit or enhance the development of credit transfer/articulation agreements and student movement with credit from VET to HE.

- a) Not at all significant
- b) Some significance
- c) Significant
- d) Very significant

Please provide additional comments or evidence in relation to each issue. Some questions may not be relevant to your circumstances and experience.

FOR SENDING INSTITUTIONS ONLY

1. The relative costs of developing and maintaining articulation and credit transfer agreements
2. The relative costs of additional preparation for all articulating students e.g. underpinning skills needed for higher education studies
3. The relative costs of additional preparation for articulating students with diverse needs e.g. international students, language support, maths bridging courses etc
4. The relative costs of graded assessment, if it is needed for articulation
5. The relative costs of developing and accrediting courses to meet articulation requirements
6. The relative costs of providing information and advice to potential articulants
7. The relative financial benefits to the institution of being able to attract students because articulation pathways can be offered to students
8. Funding restrictions on being able to enrol students in VET units within HE qualifications
9. The financial benefit to VET students of reduced levels of HECS debt relative to upfront but smaller fees in VET
10. Disincentives faced by students in terms of eligibility for income support (give examples if significant)
11. Disincentives faced by students in terms of eligibility for government supported or full-fee places (noting effects of Bradley and Victorian entitlement arrangements)
12. Disincentives faced by international students (e.g. maintaining the requisite student load under Visa conditions)
13. The relative costs of developing transparent policies and procedures on credit transfer and articulation suggested under recent guidelines

FOR RECEIVING INSTITUTIONS ONLY

1. The relative costs of developing and maintaining articulation agreements
2. The relative costs of assessing and selecting direct entry students (noting if any come via TAC)
3. The relative costs of assessing credit levels for individual students
4. The relative costs of additional preparation for all articulating students e.g. underpinning skills needed for higher education studies
5. The relative costs of additional preparation for articulating students with diverse needs e.g. international students, language support, maths bridging courses etc
6. The relative costs of providing information and advice to articulants
7. Funding disincentives from exempting students from first year units which may be cheaper to teach
8. Savings to students because they don't have to repeat studies already undertaken
9. The relative funding levels between VET and HE
10. The relative financial benefits to the institution of being able to attract students because articulation pathways can be offered to students
11. Funding restrictions on being able to enrol students in VET units within HE qualifications
12. The financial benefit to students of reduced levels of HECS debt
13. Disincentives faced by students in terms of eligibility for income support (give examples if significant)
14. Disincentives faced by students in terms of eligibility for government supported or full-fee places (noting effects of Bradley and Victorian entitlement arrangements)
15. Disincentives faced by international students (e.g. maintaining the requisite student load under Visa conditions)
16. The relative costs of developing transparent policies and procedures on credit transfer and articulation suggested under recent guidelines

SUPPLEMENTARY QUESTIONS FOR MULTI SECTOR INSTITUTIONS

1. The relative costs of dual administrative and accountability systems as they affect articulation pathways
2. Savings from internal agreements relative to single sector institutions in terms of resourcing, credit levels etc
3. Other Factors and Questions Not Listed

Appendix Two - Interviews

A series of interviews, generally one hour in duration, were conducted with representatives of the following institutions:

- Canberra Institute of Technology
- Charles Darwin University
- Edith Cowan University
- Griffith University
- La Trobe University
- Monash University
- Southbank Institute of Technology
- Swinburne University
- TAFE NSW (Hunter Institute)
- The University of Ballarat
- The University of Canberra
- The University of Newcastle
- The University of South Australia
- The University of Tasmania
- Victoria University

Interviews were also conducted with representatives from the New South Wales State Training Services, Skills Victoria and the Commonwealth Department of Education, Employment and Workplace Relations.

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